

## **EUROMONEY INSTITUTIONAL INVESTOR PLC ("Euromoney")**

### **Trading Update**

**22 September 2020**

Euromoney, the international B2B information services provider of essential information to global and specialist markets, today gives a trading update to the market. The headlines are:

- 1) Continued robust performance in subscriptions (more than two-thirds of the company's revenue)
- 2) As expected, physical event revenue continues to be impacted by covid-19 mitigated to some degree by cost-reduction measures and by revenue from virtual events
- 3) Investment Research turnaround on track
- 4) Continued progress with 3.0 strategy
- 5) Robust balance sheet strengthened further, allowing potential bolt-on acquisitions and resumption of dividends as soon as the Board decides the company prudently can

### **Year-end trading update**

Profit before tax for the full year ending 30 September 2020 is expected to be ahead of consensus expectations<sup>1</sup>, reflecting a continuation of trends, including strong cost management and robust subscriptions performance. Euromoney's financial position remains strong. Net cash at the end of August 2020 increased to £23.9m. This means we can safeguard and even enhance our long-term competitiveness by maintaining investment in future growth. As well as investing in current businesses, this also includes allowing us to make further small acquisitions. In addition, it supports the return to paying dividends as soon as the Boards considers it can do so prudently.

### **Covid-19 impact on events and actions to reduce costs**

At the H1 2020 results we announced that we were making cash savings of £20m in the second half of the year. We are on track to achieve these savings.

Ongoing restrictions on travel and large gatherings continue to impact certain business activities, particularly physical events. As a result, it is unlikely we will run physical events between October and December 2020, the first quarter of Euromoney's 2021 financial year. In Q1 2020, physical event revenue was £28.2m with gross profit of £17.8m.

We continue to actively monitor government restrictions and engage with local authorities and customers for our upcoming events. It is uncertain how these restrictions will evolve in coming months, but if we are unable to run physical events from January to March 2021, our Q2 2021 results will also be impacted. In Q2 2020, physical event revenue was £16.9m with gross profit of £10.5m.

As a consequence, we are undertaking a further restructure and cost reduction programme, which will mainly affect our events business. We will provide further details at the full year results on the 19 November 2020.

Euromoney is an agile events operator and is well-placed to return to running physical events as countries open up. We continue to run successful virtual events, including our large ITW event, which has had strong customer participation and engagement.

## Outlook

The Group has demonstrated that it will emerge from covid-19 in a strong position and we remain confident that our strategy to transition to a 3.0 business, embedded in the workflow of our customers, is the right strategy to generate long-term value.

## Notes

<sup>1</sup> **Consensus sell-side market expectations** adjusted profit before tax for 2020 from the analyst estimates on our investor website are in a range of £48.0m to £54.0m, with a consensus of £50.4m.

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## NOTE TO EDITORS

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